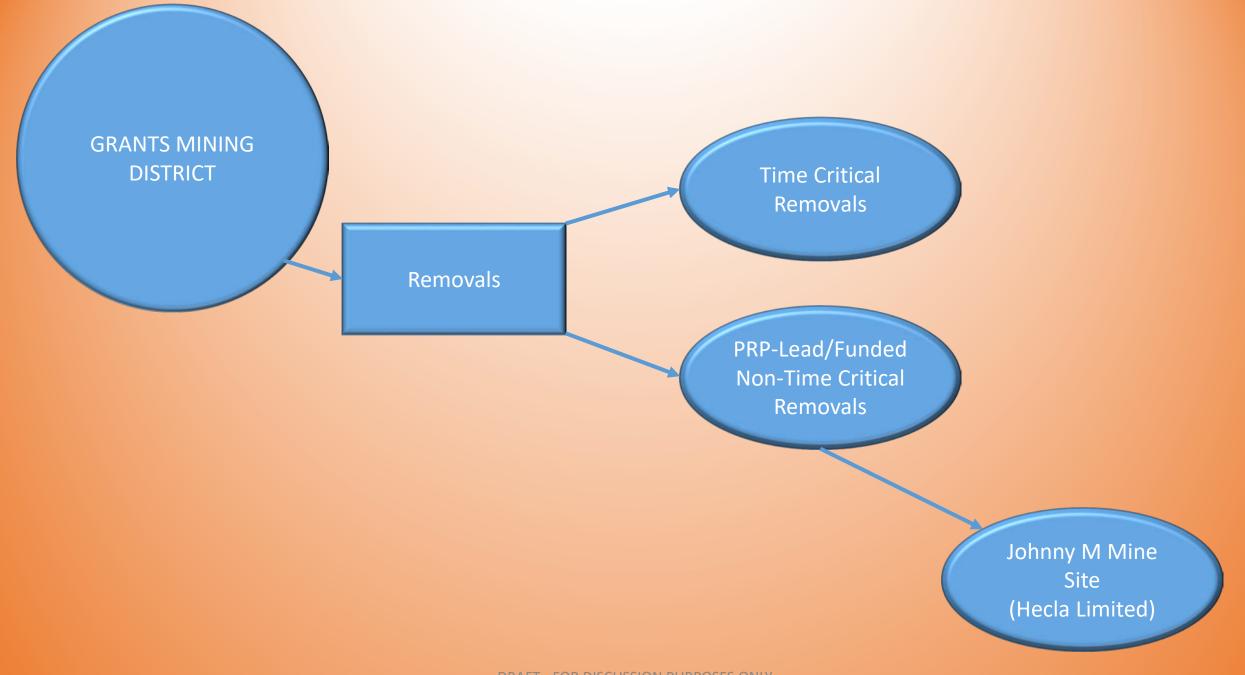


Johnny M Mine Site

McKinley County, New Mexico Status Update 04/2017

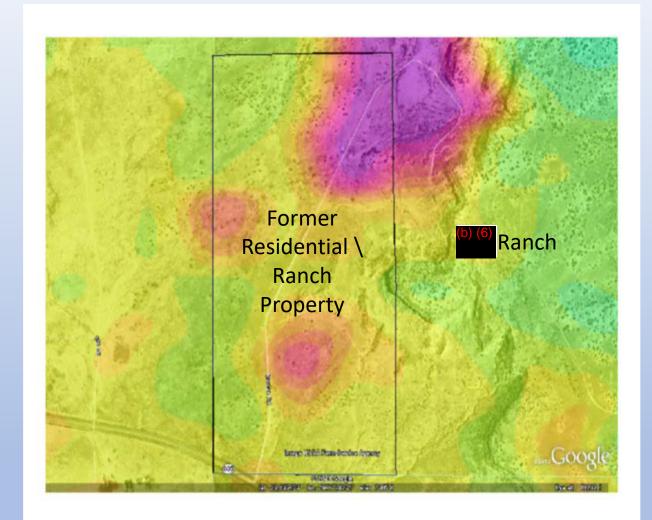


DRAFT - FOR DISCUSSION PURPOSES ONLY



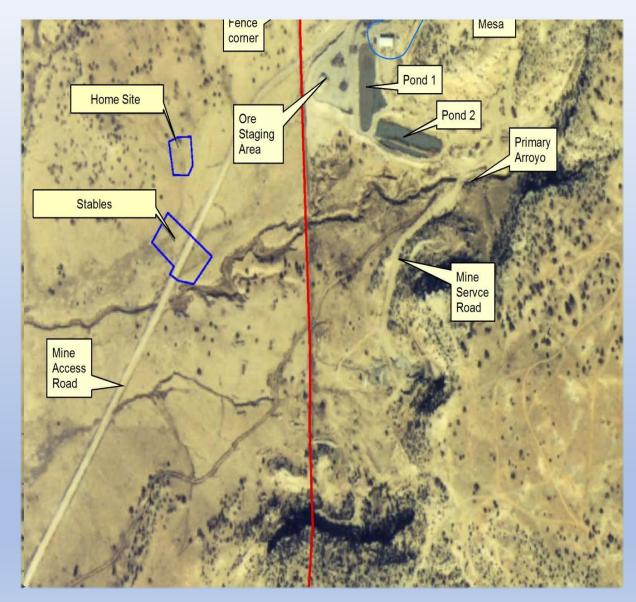
Initial Actions

- Site was identified on 2009 ASPECT overflight as area of concern.
- Contacted surface rights owner of mine site (Example 1978) Ranch) in early 2010; access for assessment DENIED.
- NMED contacted EPA 6 in late 2010 requesting assistance re: elevated radiological drinking water well sample results at the adjacent Residential\Ranch Property.
- EPA 6 initiated a removal site evaluation on the Residential\Ranch Property in early 2011.



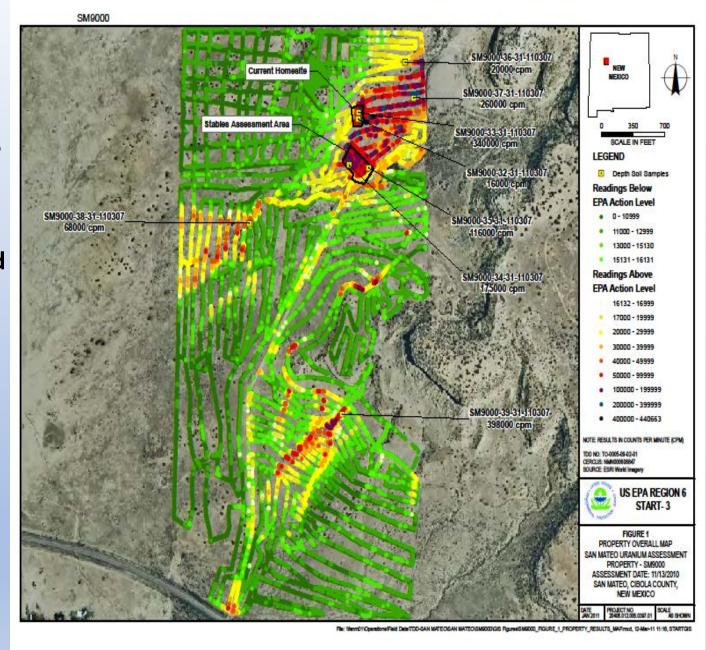
Background Information

- The Johnny M Mine is located 0.3 miles east of the Residential \ Ranch Property.
 Ranchers Exploration, the operator, merged with Hecla Mining.
- Operated as a wet mine from 1972 1982.
- Uranium mill tailings were used to prevent encroachment of groundwater into the mine.
 Process originated under State license and oversight until 1986; transferred to NRC.
- The last activity at the mine was in 1993;
 NRC license termination.



Summary of RSE/Actions Taken on Residential\Ranch Property

- High levels of gamma radiation detected in the soil adjacent to the home (222,000 cpm) and the barn/corrals (201,000 cpm).
- High levels of gamma radiation (80,000 cpm) and Radon-222 (19 pCl/l) detected in the home.
- The MCL exceeded for gross alpha and Radium-226/228 in the only source of drinking water on the property.
- 03/2011 EPA 6 Superfund DD verbally approved temporary relocation of residents and business.

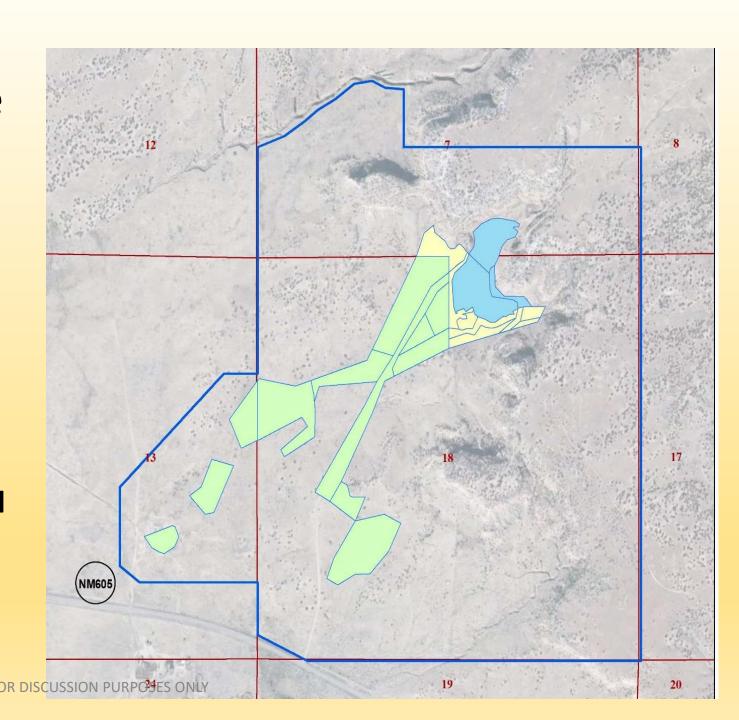


Summary of Enforcement Actions Taken

- 03/2011 EPA 6 began negotiations with Hecla and notified them of intent to temporarily relocate residents and business.
- 04/2011 residents and business temporarily relocated (6 months).
- 05/2011 EPA 6 Superfund DD signed initial AM for temporary relocation. A 6 month extension AM was signed in 09/2011.
- 02/2012 Hecla buys out the adjacent Residential \ Ranch Property and temporary relocation agreement between owner and EPA 6 is terminated.
- 08/16/2012 Hecla signs AOC to conduct an EE/CA for the Johnny M Mine Site.

Hecla Site Investigation Report (SIR) \ Removal Site Evaluation Summary (RSE)

- SIR report submitted in 03/2013:
 - **❖** Defined Site boundary;
 - Extent of surface and near surface radiological contamination (@ 500,000 cubic yards);
 - Groundwater contamination was not evaluated per the AOC.
- EPA 6 accepted SIR with revisions Fall 2014.
- EE/CA Approval Memo signed on 08/13/2014.



Hecla EE/CA Summary

- Submitted to EPA 6 in 12/2014
 - Cost analysis on 3 alternatives:
 - No Action;
 - Off-site Disposal (\$85.6M to \$221M);
 - On-Site Repository (\$5.6M)
 - On-Site repository selected as preferred alternative. Post removal site control would be consistent with the NCP (300.415(I)) options: PRPs, the state or the remedial program.
- EE/CA accepted on 06/05/2015 with the following reservations:
 - The details in the engineering design and costs of the repository design;
 - **❖** Potential data gaps in the SIR;
 - **❖** Determine CERCLA risk based scenario(s) and associated clean-up level(s).
- Requested CIP for Site from CI Team in 06/2015, required prior to publishing EE/CA for public comment. CIP approved by R6 Superfund DD, 01/17.
- Hecla has completed work under the AOC



NEXT STEPS

- Publish EE/CA for required 30 day public comment period
 - Notification to Hecla Limited

Review and respond to public comments

Draft NTC Action Memo

 Issue Notice to Hecla Limited & New Mexico Land, LLC for NTC Removal